ASX Release
13 June 2014

Highfield Resources Completes $32m Institutional Equity Placement

Highlights

- **Highfield Resources successfully completes institutional placement raising $32m**
- **Cornerstone investor EMR Capital subscribes for 25m shares at 51c, continuing its strong support of the Company**
- **Institutional investors to be allotted 40m shares at 48c**
- **Funds to be used to fast track development activities at the Company's advanced Spanish Potash Projects**
- **Substantial institutional participation with Foster Stockbroking and Taylor Collison acting as Joint Lead Managers to the Placement alongside GMP Securities in UK**

Spanish potash developer Highfield Resources (HFR:ASX) is pleased to announce that it has successfully completed an institutional equity placement ("Placement") of 65m new fully paid ordinary shares to raise $32m.

The Company's cornerstone investor, EMR Capital, led the placement with a commitment for 25m shares at $0.51/share ($12.75m). An additional 40m shares are being placed to Australian and offshore institutional investors in two tranches at $0.48/share ($19.2m).

As a strong endorsement of the Company and its projects, EMR Capital has agreed to pay a premium to incoming institutional investors. EMR Capital will as a result increase in its undiluted interest from 29.5% to 32.4% or from 15.4% to 20% fully diluted.

The Placement will be completed in two tranches with 20,000,000 shares placed under the Company's capacity in accordance with ASX Listing Rules 7.1, and 45,000,000 shares (inclusive of EMR Capital's 25m) subject to shareholder approval at an Extraordinary General Meeting (EGM) at a date to be confirmed shortly.

Foster Stockbroking Pty Ltd and Taylor Collison Pty Ltd acted as Joint Lead Managers to the Placement alongside GMP Securities in the UK.

Funds will be used to fast track development activities at the Company´s three 100% owned Spanish potash projects.

Managing Director Anthony Hall commented:

"We are delighted with the support received from both Australia and offshore institutions as a part of the capital raising. The extent of this support has demonstrated confidence in the robustness of our projects.

The successful capital raising will allow us to now develop the Spanish potash projects with the ultimate aim of commencing construction at Javier in 2015. We have three fantastic potash projects that we are looking forward to developing into mines over the coming years."

Use of Funds
Funds raised will be primarily allocated to progressing the Company´s three 100% owned Spanish projects as follows:

Expenditure	Amount
Javier Project development activities	10.0m
Sierra del Perdón Project development activities	5.5m
Pintano Project development activities	4.5m
Javier long lead initial capital expenditure items	5.0m
Working capital	6.0m
Offer costs	1.0m
Total amount raised	**32.0m**

The Board views the substantial Australian institution participation in the Placement as a strong vote of confidence in the projects and their near term development and production prospects.

The Company remains committed to taking the projects into production and becoming a significant European producer of potash.

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Highfield Resources

ABOUT HIGHFIELD RESOURCES

Highfield Resources is an ASX-Listed potash company with three 100%-owned projects located in Spain.

Highfield's Javier, Pintano and Sierra del Perdón potash projects are located in the Ebro potash producing basin in Northern Spain covering a project area of about 350km². The Sierra del Perdón project includes two former operating mines. The Company has completed a PFS for its Javier Project and is currently working towards completing a DFS by the end of the 2014 Calendar Year.

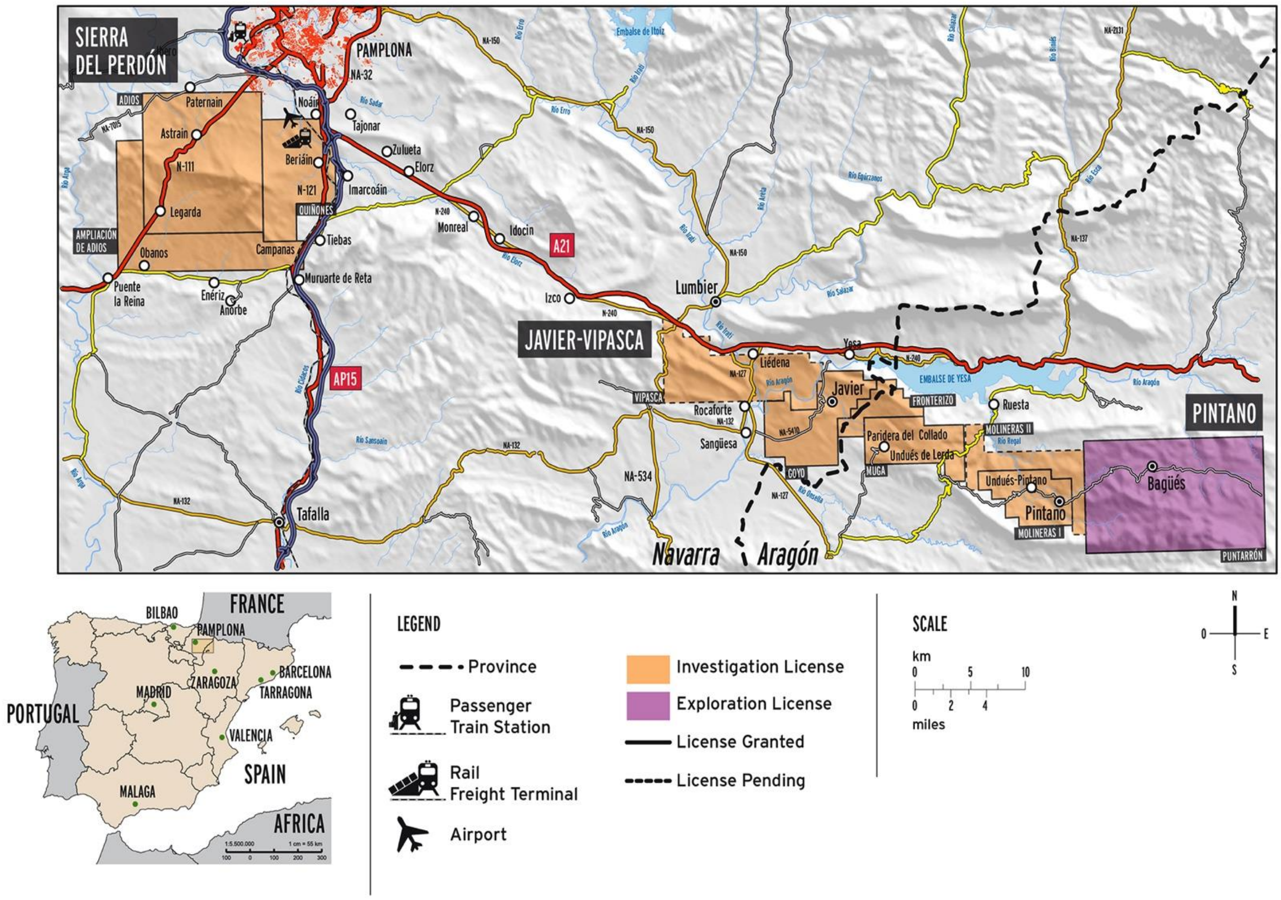

Figure 1: Location of Highfield´s Javier-Vipasca, Pintano and Sierra del Perdón Projects in Northern Spain